

Business License Application Fee Worksheet

Registration

You may be eligible to pay a registration fee of \$50 in lieu of a business license fee under the following circumstances. Businesses without a full year history must estimate their gross receipts for the first 12 months of business.

1. Are the annual gross receipts of your business less than \$12,000? ☐ Yes ☐ No \$ _____

If yes, **STOP HERE**. Your registration fee is \$50.

Exemptions:

You may be eligible to register a business license application under this chapter and be exempt from any fees.

1. Are you a qualified **governmental or religious organization**? ☐ Yes ☐ No

If you engage exclusively in religious activities or governmental functions, or if any of your activities go beyond core religious functions, or if any of your activities go beyond core governmental functions, then skip down to the regular business license section. You will pay a base fee and follow special instructions for calculating the Revenue Generating Regulatory License.

2. Are you a **civic group, service club, or social organization**? ☐ Yes ☐ No

that is not engaged in any profession, trade, calling, or occupation, but is organized to provide civic, service, or social activities in the city.

3. Are you a **non-profit organization exempt from Federal Income Tax**? ☐ Yes ☐ No

(a copy of the 501(c)(3) is required)

If you answered yes to questions 1 - 3, **STOP HERE**. Your registration fee is \$0. Registration of business and annual updated information required. All other businesses proceed below.

If you do not qualify for an exemption or registration fee, the base fee and RGRL will apply as calculated below.

Base Fee: All businesses operating in Kirkland exceeding \$12,000.00 are subject to a **base fee of \$100**.

Revenue Generating Regulatory License Fee Calculation = FTE x \$100.00

How many employees (or Full Time Equivalents), including officer / owner / manager, are employed at this location? If you have part-time employees, the FTE calculation worksheet as shown at the bottom of this page must be completed to substantiate your FTE calculation.

Add the RGRL amount and the base fee. This total amount is your business license tax fee.

Number of FTEs _____ x \$100 = \$ _____

Plus: Base Fee = \$ \$100.00

Total Fee = \$ _____

Minimum payment \$200.00. Must claim 1 employee.

Definitions:

Qualified Nonprofit Organization - Certain organizations exempt from Federal Income Tax: An organization that files with the City a copy of its current IRS 501(c)(3) exemption certificate issued by the Internal Revenue Service.

Government Organization - A governmental entity that engages solely in the exercise of governmental functions. Activities which are not exclusively governmental, such as some of the activities of a hospital or medical clinic, are not exempt under this chapter.

Religious Organization - A nonprofit business operated exclusively for a religious purpose, upon furnishing proof of the Finance Director of its nonprofit status. For the purposes of this chapter, the activities that are not part of the core religious functions are not exempt.

Note for new Businesses - The Revenue Generating Regulatory License for a business that did not submit reports for each of the last 4 quarters to L & I shall be based on the estimated number of employees of that business. If, during the license year, the City determines that the actual number of employees is significantly different than estimated, then the amount of the Revenue Generating Regulatory License may be recalculated for the new business. If the revised Revenue Generating Regulatory License is higher, the business must pay the difference within 30 days after notification. If the Revenue Generating Regulatory License is lower, then the difference will be refunded within 30 days.

Full Time Equivalent Calculation Chart (estimate for new businesses)

Hours worked by persons who are defined as employees for Revenue Generating Regulatory License must be included in the calculation even if the business is not required to report to the Washington State Department of Labor and Industries (L&I) concerning such person.

Employee hours reported during the most recent four quarters: (include full-time & part-time employees, owners, officers and partners)				
_____	Quarter 1 +	_____	Quarter 2 +	_____
_____	Quarter 3 +	_____	Quarter 4 =	_____
				Total for four quarters
				Divide by
				1920

				*
Minimum payment \$200.00. Must claim 1 employee.				* A fraction of .5 or over shall be rounded up

The City reserves the right to request verification of information provided on the application form and fee worksheet.